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NAKED ERROR OR FASHION BLUNDER? CONDOMS AND FANCY WEAR IN THE HIGH COURT

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Recently, Anselmo Reyes J in the Court of First Instance handed down two decisions on trade marks registration. In the first, *Re Naked*, his Lordship allowed the applicant to register the word “Naked” as a trade mark for condoms whilst in the second, *Re Alldressedup*, the learned judge denied an application to register “alldressedup” as a trade mark for jewellery, articles made from animal skins and clothing. This Comment seeks to argue that the approaches taken by Reyes J in the two cases *vis-à-vis* the registrability of trademarks are inconsistent with each other. It is also this author’s submission that *Re Naked* was correctly decided whilst the second applicant’s “alldressedup” mark was wrongly denied registration for the class of goods relating to jewellery and articles made from animal skins and was correctly rejected for the class on clothing.

Introduction

Recently, two interesting decisions on trademark registration were handed down by Anselmo Reyes J in the Court of First Instance. In the first, *Re Naked*,¹ his Lordship allowed the applicant to register the word “Naked” as a trade mark for condoms whilst in the second, *Re Alldressedup*,² the learned judge denied an application to register “alldressedup” as a trade mark for Class 14,³ 18⁴ and 25⁵ goods.

This Comment seeks to argue that the approaches taken by Reyes J in the two cases *vis-à-vis* the registrability of trade marks are inconsistent with each other. It is this author’s submission that *Re Naked* was correctly decided whilst the second applicant’s “alldressedup” mark was wrongly denied registration for Class 14 and 18 goods and was correctly rejected for Class 25 goods.

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¹ *Re Naked*, [2009] 2 HKLRD 96.

² *Re Alldressedup International Pte Ltd* [2009] HKEC 956.

³ Class 14 includes in particular jewellery and tie pins.

⁴ Class 18 includes mainly leather, leather imitations, travel goods and does not include in particular clothes, footwear, headgear.

⁵ Class 25 includes clothing, footwear and headgear.

Facts

In *Re Naked*, the applicant sought to register the word “Naked” as a trade mark for condoms. The Registrar of Trade Marks refused its application, holding that the word “naked” designated a characteristic of condoms and was descriptive under section 11(1)(c)⁶ of the Trade Marks Ordinance (TMO) and thus also lacked distinctiveness under section 11(1)(b).⁷ On appeal to the Court of First Instance, Reyes J disagreed with the Registrar’s findings. The learned judge held that the word “naked” did not “directly describe a characteristic”⁸ of condoms but “merely allude suggestively to it”⁹ and could not be denied registration under section 11(1)(c) or (b).

On the other hand, in *Re Alldressedup*, the applicant sought to register “alldressedup” as a trade mark for jewellery, articles made from animal skins and clothing. The Registrar denied the registration pursuant to section 11(1)(b) and (c) of the TMO on the basis that the mark merely described that the applied-for goods were fancy or formal clothing or designed to match with fancy or formal clothing. This time, Reyes J agreed with the Registrar, holding that the mark was descriptive as the expression “all dressed up” “purely, simply and directly designates the purpose”¹⁰ of the items of clothing within the relevant classes. His Lordship also held that the mark was devoid of any distinctive character under section 11(1)(b) as it was generally descriptive of the three classes of goods in question.

Analysis of the Twin Decisions

The crux of Reyes J’s conclusion on the registrability of “Naked” as a mark hinges on the court’s acceptance of Advocate General (AG) Jacobs’ guidelines in the *Doublemint* case on assessing whether a mark is descriptive.¹¹ In particular, the AG would make an overall assessment of a mark’s registrability by examining three non-exhaustive criteria:

⁶ Section 11(1)(c) prohibits the registrability of the following: “Trade marks which consist exclusively of signs which may serve, in trade or business, to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or rendering of services, or other characteristics of goods or services.”

⁷ Section 11(1)(b) prohibits the registrability of “trade marks which are devoid of any distinctive character.”

⁸ See n 1 above, p 105.

⁹ See n 1 above, p 102.

¹⁰ See n 2 above, para 25.

¹¹ *OHIM v Wrigley Jr Co (“Doublemint”)* [2004] 1 WLR 1728 at 1740. Reyes J is not the only judge in Hong Kong who finds the AG’s 3 part guidelines persuasive. See Lam J in *Guangzhou Greenhan Bio-engineering Co v Green Power Health Products* [2005] HKEC 513, para 262.

- “specificity” criterion¹² – the first criterion concerns the way in which a term relates to a product or one of its characteristics. The more factual and objective that relationship, the more likely it is that the term may be used as a designation in trade;
- “immediacy” criterion – this second criterion concerns the way in which a term is perceived: how immediately is the message conveyed? The more ordinary, definite and down-to-earth a term is, the more readily a consumer will apprehend any designation of a characteristic and the more likely the term thus is not to qualify for registration as a trade mark;
- “significance of characteristic” criterion—the third criterion concerns the significance of the characteristic in relation to the product, in particular in the consumer’s mind. Where the characteristic designated is essential or central to the product, or is of a particular importance in a consumer’s choice, the case for refusing registration is then compelling.¹³

According to his Lordship, the state of nakedness might suggest attributes which would be desirable in a condom (eg sheerness, colour, weight and comfort) but such evocations would require some recourse to subjective imagination and furthermore, the link between “nakedness” and the characteristics of a condom was not immediately discernible,¹⁴ therefore the word “naked” was not descriptive of a characteristic of a condom to be deemed non-registrable.

Interestingly, these three-part guidelines were not mentioned at all by Reyes J when he decided *Re Alldressedup*, even though counsel on both sides addressed the applicability of the guidelines in their submissions. Perhaps his Lordship was aware that *Re Naked* was going on appeal and in particular his reference to AG Jacobs’ guidelines would be in all likelihood challenged as misconceived, he decided to err herein on the side of caution and omit any reference to the ostensibly offensive guidelines. Instead, his Lordship rather cursorily held that the expression “all dressed up” “purely, simply and directly designates the purpose”¹⁵ of the items of clothing within the relevant classes and thus fell foul of section 11(1)(c) of the TMO. In both cases, the learned judge rightly canvassed European Court of Justice case law, which is binding on the United Kingdom, as Article 3(1) (b) and (c) of the European Trade Marks Directive, are *in pari materia* with

¹² Bentley and Sherman, *Intellectual Property Law* (OUP: 2008), p 836.

¹³ See n 1 above, pp 102–103.

¹⁴ See n 1 above, pp 103–104.

¹⁵ See n 2 above, para 25.

section 11(1)(b) and (c) of our TMO. But whilst it is true that the ECJ has not expressly endorsed the AG's guidelines on descriptiveness under Article 3(1)(c), it is inaccurate to conclude that all three criteria are inconsistent with ECJ case law. Certainly, the AG's third criterion may now be legally suspect in light of the ECJ's dictum in *Koninklijke KPN Nederland NV v Benelux-Merkenbureau*¹⁶ where the court had to decide whether the word "POSTKANTOOR" (Dutch for "post office") could be registered for various classes of goods and services including inter alia paper, advertising, postage stamps, advertising and transport. In particular the ECJ had held that:

"It is... irrelevant whether the characteristics of the goods or services which may be the subject of the description are commercially essential or merely ancillary. The wording of Art 3(1)(c) of the Directive does not draw any distinction by reference to the characteristics which may be designated by the signs or indications of which the mark consists" (emphasis added.)¹⁷

As a matter of policy, the ECJ is certainly right on this count. After all, there is a strong public interest in allowing any undertaking to freely use any indications to describe any characteristic whatsoever of its own goods, irrespective of how significant or insignificant that characteristic may be to that class of goods.¹⁸ By way of example, the term "scent-free" should not be registrable as a trade mark for sunscreen lotions, even though the essential characteristic of such a sunscreen lotion is to protect the user's skin against sunburn. Nonetheless, it is wrong to assume henceforth that the ECJ has rejected the other two criteria suggested by AG Jacobs. In particular, the ECJ in *Koninklijke* in a later passage in the same judgement held that a combination of words may not be descriptive within the meaning of Article 3(1)(c) provided that it "creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts" (emphasis added.)

Therefore, in deciding whether a term is descriptive, the court would look at how far removed or in other words how specific a term relates to a product or one of its characteristics or how immediate the message conveyed by the term is perceived by the consumers as a characteristic of the goods. The ECJ has therefore in fewer words accepted as good law the other two criteria articulated by AG Jacobs. This is also the approach taken by

¹⁶ [2004] ETMR 57.

¹⁷ *Ibid*, para 99.

¹⁸ *Ibid*, para 102.

the Court of First Instance of the Court of Justice of the European Communities (hereinafter CFI). In assessing whether a mark is descriptive for the purposes of registrability under the Directive, the CFI would examine whether the “relevant public would immediately and without further reflection make a definite and direct association”¹⁹ between the mark and a characteristic of the class of goods/services in question.

Once it has been established that the AG’s twin criteria are consistent with the ECJ and CFI case law, we can now proceed to examine why, contrary to Reyes J’s conclusion, “alldressedup” should be registrable as a trade mark for the specifications of goods in Class 14 (jewellery) and Class 18 (articles made from animal skins, bags). After all, “alldressedup” would not be used commonly in English to specifically describe a characteristic of jewellery or a bag, nor is such an association between this mark and the characteristics of jewellery, bags or other accessories direct and immediate. Whilst the expression “all dressed up” conveys the impression that one is properly attired for a *formal* occasion, one does not in usual English parlance refer to an individual’s use of accessories as dressing up in jewellery or a bag! According to common English parlance, we also do not say that the intended purpose of jewellery or bags is for dressing individuals up. Instead, “alldressedup” alludes to the aura of sophistication that the wearer exudes when they, attired in formal wear, don jewellery or carry an accessory with the applicant’s trademark. So whilst Reyes J is right that “alldressedup” is descriptive for Class 25 goods (clothing), so far as jewellery and articles made from animal skins are concerned, the term “alldressedup” is suggestive and not descriptive. Furthermore, as astutely observed by Yam J in *MGA Entertainment Inc v Yokon International*:²⁰

“The proper question to be considered when considering whether the registration of a mark is objectionable under section 11(1)(c) of the Ordinance is whether it is descriptive of the goods in respect of which the mark is registered. The question is, however, not whether the mark is descriptive of that which is represented by the goods in respect of which the mark is registered” (emphasis added.)²¹

In the abovementioned case, Yam J rightly held that whilst the mark “BRATZ” was a word play on the word “brats” which may be descriptive of children, it was clearly not descriptive of dolls or dolls accessories for which

¹⁹ See *Dart Industries v OHIM*, [2003] ETMR 32, para 26. See also *Metso Paper Automation v OHIM*, (2007) ETMR 2, para 25.

²⁰ [2006] HKEC 2256.

²¹ *Ibid*, para 31.

a trademark was sought. Similarly, whilst “alldressedup” may be descriptive of a lady formally attired in an evening gown, whilst wearing jewellery and carrying a bag, the term does not describe any characteristic of jewellery or bags.

Furthermore, in concluding that the expression “alldressedup” “designates the purpose of the items of clothing within the relevant classes”, Reyes J wrongly assumed that all three classes of goods were concurrent classifications for different types of clothing. Class 14 includes only jewellery and precious stones whilst Class 18 expressly excludes clothing!²²

Certainly, the term “alldressedup” is not a lexical invention but that is not a requirement for trade mark registration under section 11(1)(b) or (c). No European or English Courts have ever imposed such a requirement and neither should Hong Kong’s. Combinations of words that are seemingly descriptive of the goods in question may be registrable if there is a “syntactically unusual juxtaposition”²³ of these terms; but this is not a requirement if the word combination by itself is already suggestive rather than descriptive of the characteristics of the goods in question. *A fortiori*, given that Reyes J’s finding on section 11(1)(b) distinctiveness rested on the basis the mark was “generally descriptive of the goods (here, clothing) within the relevant classes”,²⁴ his decision on section 11(1)(b) must also be overturned *vis-à-vis* Class 14 and 18 goods²⁵ if it goes on appeal and the appellate courts agree that he erred on section 11(1)(c).

Returning to *Re Naked*, whilst Reyes J may have erred in finding the AG Jacobs’ third “significance of characteristic” criterion persuasive, in his application of that criterion, he did not actually conclude that the term “naked” alluded to a non-essential characteristic of condoms and was therefore registrable. Instead, on the facts, all his Lordship held was that the term “naked” was not only suggestive of the sheerness of a condom, but also its lightness, comfort and transparency.²⁶ As he concluded:

²² See “Explanatory Note” to the *International Classification of Goods and Services under the Nice Agreement* (9th edn), available at <http://www.wipo.int/classifications/nivilo/nice/index.htm?lang=EN#> (accessed 21 September 2009).

²³ *Procter and Gamble v OHIM* [2002] Ch. 82 at para 43. In this case, the ECJ had decided that “Baby-Dry” is registrable for babies’ nappies on the basis the trade mark is a syntactically unusual juxtaposition to describe baby nappies, though one may possibly question whether the term “Baby-Dry” is exactly a lexical invention and not descriptive under Art 3(1)(c) of the Directive since the intended purpose of the Baby-Dry nappies is to keep every baby dry. No lexical invention is patently obvious in the preceding statement.

²⁴ See n 2 above, para 17.

²⁵ A mark can be registrable for some classes of goods whilst having its registration refused for another category of goods if it is descriptive of the characteristics of the latter category of goods. See *DaimlerChrysler v OHIM* [2003] ETMR 87, 1050 where TELE AIBID was found descriptive of repair services for automobiles but not electrical and electronic devices for transferring speech and data.

²⁶ See n 1 above, para 104.

“The reality is that the word ‘naked’ will suggest different bundles of attributes to different persons, depending on the sensibility of their imaginations. The characteristics of a condom that might be conveyed by the word ‘naked’ to any given person would be variable, elusive and incapable of full articulation.”²⁷

Therefore, whilst his Lordship purported to apply the third criterion, he was in actual fact reinforcing the first “specificity” criterion which provides that the more imaginative and subjective the relationship between the mark and a characteristic of the goods in question, the more acceptable the term will be for registration.²⁸ Therefore, as the application of the third criterion was in no way decisive for the learned judge in reaching his decision and as his adoption and application of the first two criteria were as discussed above was beyond reproach, one could hardly argue that the learned judge had erred in law in accepting the registrability of the “naked” mark as non-descriptive under section 11(1)(c) of the TMO and *a fortiori* capable of identifying the said condoms as originating from particular undertaking under section 11(1)(b).

Conclusion

It is rather surprising that Reyes J would, within a short span of time after buying counsel for the applicant’s argument in *Re Naked* on the applicability of AG Jacobs’ guidelines suffer from buyer’s remorse. As discussed above, the “specificity” and “immediacy” criteria are consistent with the ECJ and European CFI case law and should not be dismissed cursorily. However, at this point of writing, since only *Re Naked* is under appeal, one can only hope that our appellate judges in Hong Kong would agree with Reye J’s adoption of the twin criteria articulated by AG Jacobs, share his imagination *vis-à-vis* the suggestive nature of the “Naked” mark and uphold the registrability of the mark on appeal.

²⁷ *Ibid.*

²⁸ See n 1 above, p 102.

